## AMENDMENTS TO THE CLAIMS

Please amend Claims 1-4 and 21-38 as follows. All pending claims have been reproduced below.

 (Currently Amended) An image processing apparatus comprising: display means for displaying a moving image on the basis of input image data;

designation means for designating a partial region <u>defined by user-selected</u>

<u>points</u> in a display screen of said display means; and

encoding means for encoding the image data,

wherein said display means displays a still image of the moving image during designation by said designation means, and

said encoding means encodes the image data with an image included in the region designated by said designation means of the moving image displayed by said display means being decodable to have higher image quality than an image of a non-designated region.

 (Currently Amended) An image processing apparatus comprising: display means for displaying a moving image on the basis of input image data;

designation means for designating an object <u>defined by user-selected points</u> included in the moving image displayed by said display means; and

encoding means for encoding the image data,

wherein said display means displays a still image of the moving image during designation by said designation means, and

said encoding means encodes the image data with an image indicating the object designated by said designation means of the moving image displayed by said display means being decodable to have higher image quality than an image of a non-designated portion.

(Currently Amended) An image processing apparatus comprising:
 display means for displaying a moving image on the basis of input image
 data;

designation means for designating a partial region <u>defined by user-selected</u>

<u>points</u> in a display screen of said display means; and

encoding means for encoding the image data,

wherein said display means displays a still image of the moving image during designation by said designation means,

said encoding means comprises:

means for generating transform coefficients by computing discrete wavelet transforms of the image data;

means for generating quantization indices by quantizing the transform coefficients; and

means for generating encoded data by decomposing the quantization indices into bit planes, and executing arithmetic coding for the respective bit planes, and said encoding means shifts up the quantization indices corresponding to an image included in the region designated by said designation means of the moving image displayed by said display means by a predetermined number of bits.

 (Currently Amended) An image processing apparatus comprising: display means for displaying a moving image on the basis of input image data;

designation means for designating an object <u>defined by user-selected points</u> included in the moving image displayed by said display means; and

encoding means for encoding the image data,

wherein said display means displays a still image of the moving image during designation by said designation means,

said encoding means comprises:

means for generating transform coefficients by computing discrete wavelet transforms of the image data;

means for generating quantization indices by quantizing the transform coefficients; and

means for generating encoded data by decomposing the quantization indices into bit planes, and executing arithmetic coding for the respective bit planes, and

said encoding means shifts up the quantization indices corresponding to an image indicating the object designated by said designation means of the moving image displayed by said display means by a predetermined number of bits.

- 5. (Original) The apparatus according to claim 1, wherein said display means simultaneously displays the moving image and the still image of the moving image during designation by said designation means.
- 6. (Original) The apparatus according to claim 2, wherein said display means simultaneously displays the moving image and the still image of the moving image during designation by said designation means.
- 7. (Original) The apparatus according to claim 3, wherein said display means simultaneously displays the moving image and the still image of the moving image during designation by said designation means.
- 8. (Original) The apparatus according to claim 4, wherein said display means simultaneously displays the moving image and the still image of the moving image during designation by said designation means.
- 9. (Original) The apparatus according to claim 1, further comprising means for saving the encoded data generated by said encoding means.

- 10. (Original) The apparatus according to claim 2, further comprising means for saving the encoded data generated by said encoding means.
- 11. (Original) The apparatus according to claim 3, further comprising means for saving the encoded data generated by said encoding means.
- 12. (Original) The apparatus according to claim 4, further comprising means for saving the encoded data generated by said encoding means.
- 13. (Original) The apparatus according to claim 1, further comprising image sensing means for generating the image data by sensing an image.
- 14. (Original) The apparatus according to claim 2, further comprising image sensing means for generating the image data by sensing an image.
- 15. (Original) The apparatus according to claim 3, further comprising image sensing means for generating the image data by sensing an image.
- 16. (Original) The apparatus according to claim 4, further comprising image sensing means for generating the image data by sensing an image.

- 17. (Original) The apparatus according to claim 1, wherein the image data is image data recorded in a recording medium.
- 18. (Original) The apparatus according to claim 2, wherein the image data is image data recorded in a recording medium.
- 19. (Original) The apparatus according to claim 3, wherein the image data is image data recorded in a recording medium.
- 20. (Original) The apparatus according to claim 4, wherein the image data is image data recorded in a recording medium.
- 21. (Currently Amended) A digital camera comprising:

  image sensing means for generating image data by sensing an image;

  display means for displaying a moving image on the basis of the image data;

  designation means for designating a partial region defined by user-selected

  points in a display screen of said display means;

encoding means for encoding the image data; and means for saving the encoded data,

wherein said display means displays a still image of the moving image during designation by said designation means, and

said encoding means encodes the image data with an image included in the region designated by said designation means of the moving image displayed by said display means being decodable to have higher image quality than an image of a non-designated region.

22. (Currently Amended) A digital camera comprising:

image sensing means for generating image data by sensing an image;

display means for displaying a moving image on the basis of the image data;

designation means for designating an object defined by user-selected points

included in the moving image displayed by said display means;

encoding means for encoding the image data; and means for saving the encoded data,

wherein said display means displays a still image of the moving image during designation by said designation means, and

said encoding means encodes the image data with an image indicating the object designated by said designation means of the moving image displayed by said display means being decodable to have higher image quality than an image of a non-designated portion.

23. (Currently Amended) A digital camera comprising: image sensing means for generating image data by sensing an image; display means for displaying a moving image on the basis of the image data;

designation means for designating a partial region <u>defined by user-selected</u>

<u>points</u> in a display screen of said display means;

encoding means for encoding the image data; and means for saving the encoded data,

wherein said display means displays a still image of the moving image during designation by said designation means,

said encoding means comprises:

means for generating transform coefficients by computing discrete wavelet transforms of the image data;

means for generating quantization indices by quantizing the transform coefficients; and

means for generating encoded data by decomposing the quantization indices into bit planes, and executing arithmetic coding for the respective bit planes, and

said encoding means shifts up the quantization indices corresponding to an image included in the region designated by said designation means of the moving image displayed by said display means by a predetermined number of bits.

24. (Currently Amended) A digital camera comprising:

image sensing means for generating image data by sensing an image;

display means for displaying a moving image on the basis of the image data;

designation means for designating an object defined by user-selected points

included in the moving image displayed by said display means;

encoding means for encoding the image data; and means for saving the encoded data,

wherein said display means displays a still image of the moving image during designation by said designation means,

said encoding means comprises:

means for generating transform coefficients by computing discrete wavelet transforms of the image data;

means for generating quantization indices by quantizing the transform coefficients; and

means for generating encoded data by decomposing the quantization indices into bit planes, and executing arithmetic coding for the respective bit planes, and

said encoding means shifts up the quantization indices corresponding to an image indicating the object designated by said designation means of the moving image displayed by said display means by a predetermined number of bits.

25. (Currently Amended) An image processing method comprising:

the <u>a</u> display step of displaying a moving image on the basis of input image data;

the <u>a</u> designation step of designating a partial region <u>defined by user-</u>
<u>selected points</u> in a display screen in the <u>said</u> display step; and

the <u>an</u> encoding step of encoding the image data,

wherein the <u>said</u> display step includes the <u>a</u> step of displaying a still image of the moving image during designation in the <u>said</u> designation step, and

the <u>said</u> encoding step includes the <u>a</u> step of encoding the image data with an image included in the region designated in the <u>said</u> designation step of the moving image displayed in the <u>said</u> display step being decodable to have higher image quality than an image of a non-designated region.

26. (Currently Amended) An image processing method comprising:

the <u>a</u> display step of displaying a moving image on the basis of input image data;

the <u>a</u> designation step of designating an object <u>defined by user-selected</u>

<u>points</u> included in the moving image displayed in the <u>said</u> display step; and

the an encoding step of encoding the image data,

wherein the <u>said</u> display step includes the <u>a</u> step of displaying a still image of the moving image during designation in the <u>said</u> designation step, and

the <u>said</u> encoding step includes the <u>a</u> step of encoding the image data with an image indicating the object designated in the <u>said</u> designation step of the moving image displayed by the <u>in said</u> display step being decodable to have higher image quality than an image of a non-designated portion.

27. (Currently Amended) An image processing method comprising:

the <u>a</u> display step of displaying a moving image on the basis of input image data;

the <u>a</u> designation step of designating a partial region <u>defined by user-</u> <u>selected points</u> in a display screen in the <u>said</u> display step; and

the an encoding step of encoding the image data,

wherein the <u>said</u> display step includes the <u>a</u> step of displaying a still image of the moving image during designation in the <u>said</u> designation step,

the said encoding step comprises comprising:

the <u>a</u> step of generating transform coefficients by computing discrete wavelet transforms of the image data;

the  $\underline{a}$  step of generating quantization indices by quantizing the transform coefficients; and

the <u>a</u> step of generating encoded data by decomposing the quantization indices into bit planes, and executing arithmetic coding for the respective bit planes, and

the said encoding step includes the a step of shifting up the quantization indices corresponding to an image included in the region designated in the said designation step of the moving image displayed by the in said display step by a predetermined number of bits.

28. (Currently Amended) An image processing method comprising:

the <u>a</u> display step of displaying a moving image on the basis of input image data;

the <u>a</u> designation step of designating an object <u>defined by user-selected</u>

<u>points</u> included in the moving image displayed in the <u>said</u> display step; and

the an encoding step of encoding the image data,

wherein the <u>said</u> display step includes the <u>a</u> step of displaying a still image of the moving image during designation in the <u>said</u> designation step,

the said encoding step comprises comprising:

the  $\underline{a}$  step of generating transform coefficients by computing discrete wavelet transforms of the image data;

the  $\underline{a}$  step of generating quantization indices by quantizing the transform coefficients; and

the <u>a</u> step of generating encoded data by decomposing the quantization indices into bit planes, and executing arithmetic coding for the respective bit planes, and

the said encoding step includes the a step of shifting up the quantization indices corresponding to an image indicating the object designated in the said designation step of the moving image displayed by the in said display step by a predetermined number of bits.

29. (Currently Amended) A program for making a computer function as:

display means for displaying a moving image on the basis of input image data;

designation means for designating a partial region <u>defined by user-selected</u>

<u>points</u> in a display screen of said display means; and

encoding means for encoding the image data,

wherein said display means displays a still image of the moving image during designation by said designation means, and

said encoding means encodes the image data with an image included in the region designated by said designation means of the moving image displayed by said display means being decodable to have higher image quality than an image of a non-designated region.

30. (Currently Amended) A program for making a computer function as:

display means for displaying a moving image on the basis of input image data;

designation means for designating an object <u>defined by user-selected points</u> included in the moving image displayed by said display means; and encoding means for encoding the image data,

wherein said display means displays a still image of the moving image during designation by said designation means, and

said encoding means encodes the image data with an image indicating the object designated by said designation means of the moving image displayed by said display means being decodable to have higher image quality than an image of a non-designated portion.

31. (Currently Amended) A program for making a computer function as:

display means for displaying a moving image on the basis of input image data;

designation means for designating a partial region <u>defined by user-selected</u>

<u>points</u> in a display screen of said display means; and

encoding means for encoding the image data,

wherein said display means displays a still image of the moving image during designation by said designation means,

said encoding means comprises:

means for generating transform coefficients by computing discrete wavelet transforms of the image data;

means for generating quantization indices by quantizing the transform coefficients; and

means for generating encoded data by decomposing the quantization indices into bit planes, and executing arithmetic coding for the respective bit planes, and said encoding means shifts up the quantization indices corresponding to an image included in the region designated by said designation means of the moving image

32. (Currently Amended) A program for making a computer function

display means for displaying a moving image on the basis of input image data;

designation means for designating an object <u>defined by user-selected points</u> included in the moving image displayed by said display means; and

encoding means for encoding the image data,

displayed by said display means by a predetermined number of bits.

as:

wherein said display means displays a still image of the moving image during designation by said designation means,

said encoding means comprises:

means for generating transform coefficients by computing discrete wavelet transforms of the image data;

means for generating quantization indices by quantizing the transform coefficients; and

means for generating encoded data by decomposing the quantization indices into bit planes, and executing arithmetic coding for the respective bit planes, and

said encoding means shifts up the quantization indices corresponding to an image indicating the object designated by said designation means of the moving image displayed by said display means by a predetermined number of bits.

33. (Currently Amended) An image processing apparatus comprising: display means for displaying a moving image on the basis of input image data;

designation means for designating a partial region <u>defined by user-selected</u>

<u>points</u> in a display screen of said display means;

encoding means for generating encoded data by encoding the image data;
storage means for storing the encoded data; and
decoding means for decoding the encoded data stored in said storage means,
wherein said display means displays a still image of the moving image
during designation by said designation means,

said encoding means encodes the image data with an image included in the region designated by said designation means of the moving image displayed by said display means being decodable to have higher image quality than an image of a non-designated region,

said decoding means decodes encoded data at least from the beginning to the end of designation of the region by said designation means of the encoded data stored in said storage means, and

said encoding means re-encodes the decoded image data with an image corresponding to the region of an image that corresponds to the image data decoded by said decoding means being decodable to have higher image quality than an image of the non-designated region.

34. (Currently Amended) An image processing apparatus comprising: display means for displaying a moving image on the basis of input image data;

designation means for designating an object <u>defined by user-selected points</u> included in the moving image displayed by said display means;

encoding means for generating encoded data by encoding the image data; storage means for storing the encoded data; and decoding means for decoding the encoded data stored in said storage means, wherein said display means displays a still image of the moving image during designation by said designation means,

said encoding means encodes the image data with an image indicating the object designated by said designation means of the moving image displayed by said display means being decodable to have higher image quality than an image of a non-designated portion,

said decoding means decodes encoded data at least from the beginning to the end of designation of the object by said designation means of the encoded data stored in said storage means, and

said encoding means re-encodes the decoded image data with an image corresponding to the object of an image that corresponds to the image data decoded by said decoding means being decodable to have higher image quality than an image of the non-designated region.

35. (Currently Amended) An image processing method comprising:

the <u>a</u> display step of displaying a moving image on the basis of input image data;

the <u>a</u> designation step of designating a partial region <u>defined</u> by userselected points in a display screen in the <u>said</u> display step;

the an encoding step of generating encoded data by encoding the image data;

the a storage step of storing the encoded data; and

the  $\underline{a}$  decoding step of decoding the encoded data stored in the  $\underline{said}$  storage step,

wherein the <u>said</u> display step includes the <u>a</u> step of displaying a still image of the moving image during designation in the <u>said</u> designation step,

the <u>said</u> encoding step includes the <u>a</u> step of encoding the image data with an image included in the region designated in the <u>said</u> designation step of the moving image displayed in the <u>said</u> display step being decodable to have higher image quality than an image of a non-designated region,

the <u>said</u> decoding step includes the <u>a</u> step of decoding encoded data at least from the beginning to the end of designation of the region in the <u>said</u> designation step of the encoded data stored in the <u>said</u> storage step, and

the said encoding step includes the step of re-encoding the decoded image data with an image corresponding to the region of an image that corresponds to the image data decoded in the said decoding step being decodable to have higher image quality than an image of the non-designated region.

36. (Currently Amended) An image processing method comprising:

the a display step of displaying a moving image on the basis of input image data;

the <u>a</u> designation step of designating an object <u>defined by user-selected</u>

<u>points</u> included in the moving image displayed in the <u>said</u> display step;

the an encoding step of generating encoded data by encoding the image data;

the <u>a</u> storage step of storing the encoded data; and the <u>a</u> decoding step of decoding the encoded data, stored in the <u>said</u> storage

step,

wherein the <u>said</u> display step includes the <u>a</u> step of displaying a still image of the moving image during designation in the <u>said</u> designation step,

the <u>said</u> encoding step includes the <u>a</u> step of encoding the image data with an image indicating the object designated in the <u>said</u> designation step of the moving image displayed in the <u>said</u> display step being decodable to have higher image quality than an image of a non-designated portion,

the <u>said</u> decoding step includes the <u>a</u> step of decoding encoded data at least from the beginning to the end of designation of the object in the <u>said</u> designation step of the encoded data stored in the <u>said</u> storage step, and

the <u>said</u> encoding step includes the <u>a</u> step of re-encoding the decoded image data with an image corresponding to the object of an image that corresponds to the image data decoded in the <u>said</u> decoding step being decodable to have higher image quality than an image of the non-designated region.

37. (Currently Amended) A program for making a computer function as:

display means for displaying a moving image on the basis of input image data;

designation means for designating a partial region <u>defined by user-selected</u>

<u>points</u> in a display screen of said display means;

encoding means for generating encoded data by encoding the image data; and

storage means for storing the encoded data; and
decoding means for decoding the encoded data stored in said storage means,
wherein said display means displays a still image of the moving image
during designation by said designation means,

said encoding means encodes the image data with an image included in the region designated by said designation means of the moving image displayed by said display means being decodable to have higher image quality than an image of a non-designated region,

said decoding means decodes encoded data at least from the beginning to the end of designation of the region by said designation means of the encoded data stored in said storage means, and

said encoding means re-encodes the decoded image data with an image corresponding to the region of an image that corresponds to the image data decoded by said decoding means being decodable to have higher image quality than an image of the non-designated region.

38. (Currently Amended) A program for making a computer function as:

display means for displaying a moving image on the basis of input image data;

designation means for designating an object <u>defined by user-selected points</u> included in the moving image displayed by said display means;

encoding means for generating encoded data by encoding the image data; storage means for storing the encoded data; and decoding means for decoding the encoded data stored in said storage means, wherein said display means displays a still image of the moving image during designation by said designation means,

said encoding means encodes the image data with an image indicating the object designated by said designation means of the moving image displayed by said display means being decodable to have higher image quality than an image of a non-designated portion,

said decoding means decodes encoded data at least from the beginning to the end of designation of the object by said designation means of the encoded data stored in said storage means, and

said encoding means re-encodes the decoded image data with an image corresponding to the object of an image that corresponds to the image data decoded by said decoding means being decodable to have higher image quality than an image of the non-designated region.